GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:83
ANSWERED ON:22.07.2016
Seventh Pay Commission
Gopalakrishnan Shri R.;Singh Shri Kunwar Haribansh

Will the Minister of FINANCE be pleased to state:

(a) the status of implementation of the recommendations of the 7th Central Pay Commission (CPC) and its likely impact on the exchequer;
(b) whether the Central Government Employees Unions are unhappy with the recommendations and made representation in the matter to the Government, if so, the reaction of the Government thereto;
(c) whether the Government has decided to defer the recommended allowances and if so, the details thereof along with the reasons therefor; and
(d) the time by which the recommendations are likely to be implemented by the Government?

Answer

ANSWER
MINISTER FOR FINANCE
(SHRI ARUN JAITELY)

A statement is laid on the Table of the House

Statement Annexed with the Lok Sabha Starred Question No. 83 for 22.07.2016 by Shri Kunwar Haribansh Singh and Shri R. Gopalakrishnan on Seventh Pay Commission

(a) The Government has decided to accept the recommendations of the 7th Central Pay Commission pertaining to Minimum Pay, Fitment Factor, Index of Rationalization, Pay Matrix and general recommendations on pay as well as pension with effect from 1.1.2016. However, in respect of Pay Matrix for Defence personnel, Index of Rationalisation has been revised in respect of the rank of Brigadier from 2.57 to 2.67, apart from providing for additional three stages in respect of the ranks of Lieutenant Colonel and Colonel and 2 stages in case of the rank of Brigadier. The additional financial impact on account of implementation of recommendations, as accepted by the Government, is estimated to be ? 84,933 crore during the financial year 2016-17.
(b) The National Joint Council of Action, which represents the Staff Side of the Joint Consultative Machinery, made a Charter of Demands on the recommendations of the 7th Central Pay Commission. The Government, after careful consideration of demands and the recommendations of the Commission, has accepted certain demands. Accordingly, the Government has not accepted the recommendations of the Commission on (i) abolition of advances for Medical Treatment; Travelling Allowance on Tour/Transfer; Travelling Allowance for family of deceased employee & Leave Travel Concession, (ii) Increase in the rate of monthly contribution towards Central Government Employees Group Insurance Scheme. Further, the Government has also decided that instead of one date of annual increment in July every year, there will now be two dates of annual increment in January and July every year in keeping with the demand of the staff.
(c) Out of 196 allowances examined by the 7th CPC, 51 existing allowances have been recommended for abolition and 37 allowances have been recommended to be subsumed under the existing or newly proposed allowances. In view of the significant departure from the existing provisions recommended by the 7th CPC and a number of representations received from Employee Associations and other stakeholders in this regard, the Government has decided that recommendations on allowances, other than Dearness Allowance, be examined by a Committee comprising Finance Secretary as Chairman and Secretaries of Home Affairs, Defence, Health & Family Welfare, Personnel & Training, Posts and Chairman, Railway Board as Members for examination before taking a final decision.
(d) The recommendations of pay and pension, as accepted by the Government, will be given effect to from 01.01.2016.
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